6 March 2025

Senator Brian Feldman, Chair
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Written Testimony
SB478: Public Utilities - Solar Energy Generating Stations - Local Approval
Position: Unfavorable

Chair Feldman, Vice Chair Kagan, Members of the Education, Energy, and the Environment Committee, thank you for the opportunity to testify on Senate Bill 478, Public Utilities - Solar Energy Generating Stations - Local Approval.

I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our over 100 member companies in all market segments across the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid to realize a stable and affordable grid for all consumers.

I am here to provide unfavorable testimony on SB478, Public Utilities - Solar Energy Generating Stations - Local Approval. Maryland needs more in-state generation in order to prioritize grid affordability, resiliency, and reliability. Overly relying on out-of-state electricity in critical grid events creates upward pressure on electric rates and increases grid risks. The state's Certificate of Public Convenience and Necessity (CPCN) already balances the perspectives of the community with statewide needs of the public. We believe that balance in current law should remain.

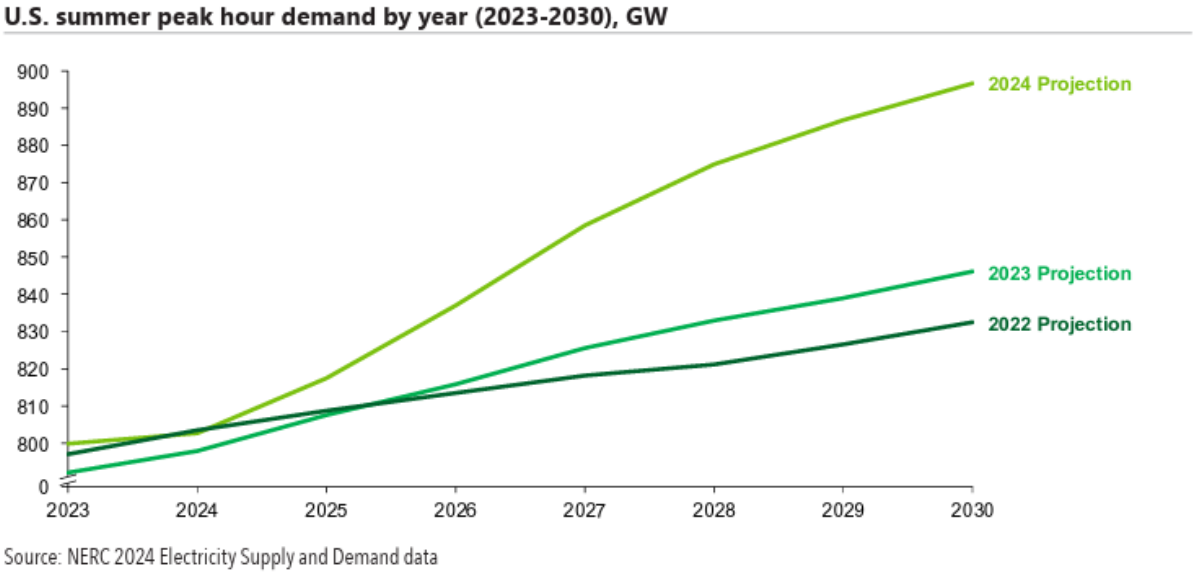
The Problem: Maryland's Widening Energy Gap

Marylanders are becoming much more sensitive to grid disruptions and electric price spikes. The state is on the path to seeing increasing electric demand over the long term. And, there is already straining in its electric system. Maryland only generates about 60 percent of the electric generation it demands[1]. But, importing electricity isn't an automatic solution. Nine of the 13 states in the PJM Interconnection (where Maryland resides) also must import electricity to serve their electric demand. And the Maryland Energy Administration (MEA) is projecting load growth,

[1] https://www.eia.gov/state/analysis.php?sid=MD

potentially as much as 2 percent per year[2]. There's growing demand and competition for an energy supply that needs to increase.

Contributing Problem: Higher Electric Demand Across the County



Source: NERC 2024 Electricity Supply and Demand data

The grid of the not-so-distant future will have the combined roles that today's electricity, natural gas system, and gas stations have. For the grid to serve those roles, it will need to look and act differently. It will have higher statewide electric loads, and greater electric demand in peak periods. And, the higher peak demand gets, the more expensive the electric grid becomes, due to expensive infrastructure expansion and higher peak energy pricing. By lowering peak demand, clean energy can lower the cost of the grid.

A January 2025 report from the U.S. Department of Energy shows that projected peak demand growth is only increasing, with electricity supply and demand data from the North American Energy Reliability Council showing the estimates being revised upwards each year since 2022.[3] If Maryland's electric future follows the projected national trend, it needs to step up the clean energy build-out throughout the state at the same time as handling fossil fuel retirements. That means scaling up statewide solar adoption of all kinds, as soon as possible.

Layering on the problem are the faults within the PJM Interconnection, both with their capacity markets and their interconnection processes. The recent PJM capacity auction could cause electric bills in Maryland to increase as much as 24 percent, according to an August 2024 report from the Maryland Office of People's Counsel. The MEA describes the Baltimore Gas & Electric

[2] Maryland Energy Administration. "Reaching 100 Percent Net Carbon-Free Electricity in Maryland". January 2025. p.19

[3] U.S. Department of Energy. "Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update". January 2025. p.7

service area as a "congested territory".[4] There are then certain generating units that must run and can drive up capacity prices, as it happened in the most recent PJM capacity auction. The way to relieve congestion and grid strain is to lower peak demand, offset consumer electric load, and build a lot of new local generating capacity.

For Everyone's Benefit

Creating a local government veto for projects in the CPCN process would create an unstable business environment for solar and storage developers trying to work in Maryland. Solar adoption is voluntary on the landowner's part. And they can benefit financially from the arrangement, helping them with secondary sources of income. In the case of a farm owner adopting solar on part of their land, that additional income could be the difference between maintaining the business and insolvency. Those property owners' decisions should be respected.

Today, the increasing demand for electricity in Maryland makes this a critical issue of importance for the entire state. Large-scale solar systems present the lowest cost option available, among all forms of new electric generation technologies. And, solar and battery storage can serve that demand in the critical peak periods where demand is highest, relative to available supply. That could eliminate the need for added distribution and transmission lines to serve those communities in question.

Conclusion

Maryland solar needs to be built on homes, businesses, and on open land. The deployment of solar and storage generation projects benefit the entire electric grid. The current CPCN process balances those broader potential benefits with any concerns in the community. And, the current process respects the rights of the property owner to enter into such an arrangement, instead of a potentially arbitrary and capricious decision made by a local government.

CHESSA asks for the committee to vote unfavorably on SB478. Please reach out with any questions on solar and storage policy. CHESSA is here to be a resource to the committee.

Sincerely,

Robin K. Dutta

Robin K. Dutta
Executive Director
Chesapeake Solar and Storage Association
robin@chessa.org

[4] Maryland Energy Administration. "Reaching 100 Percent Net Carbon-Free Electricity in Maryland". January 2025. p.22